



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

October 04, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

19 October 4, 2016

LORI GLASGOW
EXECUTIVE OFFICER

**NEW LEASE
DEPARTMENTS OF MENTAL HEALTH AND HEALTH SERVICES
208 EAST 6TH STREET, LOS ANGELES
(SECOND DISTRICT)
(3 VOTES)**

SUBJECT

A new eight-year lease for approximately 24,234 square feet of office space for use by the Departments of Mental Health and Health Services.

IT IS RECOMMENDED THAT THE BOARD:

1. Consider the attached Negative Declaration together with the fact that no comments were received during the public review process, find on the basis of the whole record that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the Board of Supervisors to approve the Negative Declaration, adopt the Negative Declaration, find on the basis of the whole record that the project will have no effect on fish and wildlife, and instruct the Chief Executive Officer or her designee to complete and file the appropriate determination forms as to the project.

2. Approve and instruct the Chair to sign the lease with SAMKO, LLC, for approximately 24,234 square feet of office space, comprised of the existing 10,856 square feet and 13,378 of additional space, located at 208 East 6th Street, Los Angeles, for the Departments of Mental Health and Health Services for a maximum first year rental cost of \$898,337. The rent will be billed to the departments based on the following percentage of space occupancy: Department of Mental Health 87.86 percent, and Health Services 12.14 percent. The rental and related costs for the Department of Mental Health are 100 percent funded from the Mental Health Services Act and other State and federal funds. The Department of Health Services cost is 100 percent net County cost.
3. Authorize the Director of Internal Services, the Landlord, or Landlord's County-approved vendor, or their designees at the direction of the Chief Executive Officer or her designee, to acquire telephone, data, and low voltage systems at a cost not to exceed \$650,000, for which the Departments of Mental Health and Health Services will make lump-sum payments.
4. Grant delegated authority to the Chief Executive Officer or her designee to exercise the option to lease up to 6,123 square feet of expansion space at a maximum first year rental cost of \$249,042, comprised of \$180,016 first year rent and a \$69,026 Additional Tenant Improvement Allowance reimbursement.
5. Authorize and direct the Chief Executive Officer or her designee to execute any other ancillary documentation necessary to effectuate the lease, and authorize and direct the Chief Executive Officer and the Directors of Mental Health, Health Services and Internal Services, or their designees, to take actions necessary and appropriate to implement the project. The lease will be effective upon approval by the Board of Supervisors, but the term and rent will commence upon completion of the tenant improvements by the Landlord, or the Landlord's County-approved vendor, and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease will allow the Department of Mental Health (DMH) and the Department of Health Services (DHS) to consolidate four existing leases at 208 East 6th Street, Los Angeles (Premises), totaling 10,856 square feet, and acquire an additional 13,378 square feet for a combined total of 24,234 square feet. The additional space will allow DMH to relocate its Full Services Partnership (FSP) program currently housed at the Little Tokyo Lofts building (LTL) located at 426 South San Pedro Street, Los Angeles (Loft Building), and to co-house its new Countywide Men's Community Reintegration Services and Education Center (MCRSEC) program.

The lease also provides the County an option to lease up to an additional 6,123 square feet for future expansion, as soon as the space becomes available. The expansion space is needed by DHS to ease overcrowded conditions at their Housing for Health office space within the facility and across the street at 240 East 6th Street, Los Angeles. In addition, the expanded space will house the new Super Connect program being developed by DHS and the Chief Executive Office (CEO) to implement a multi-department office approach to addressing the needs of severe cases of homelessness.

Relocation of the FSP is prompted by a Board of Supervisors motion approved on May 13, 2014 instructing DMH to occupy office space previously approved by the Board with an administrative use only and a September 18, 2014 agreement between DMH and LTL residents in response to additional safety concerns expressed by LTL residents. Once vacated, the FSP lease will be terminated.

The 10,856 square feet currently occupied at the Premises is comprised of 7,915 square feet for DMH's Homeless CalWORKS Families Project and Prevention and Early Intervention (PEI) programs, and 2,941 square feet of office space for DHS's Housing for Health's City+County +Community (C3) program.

The existing DMH programs target at-risk and high-need clients located throughout downtown, and specifically the Skid Row area. Services provided consist of individual and group rehabilitation focused on psycho-education, independent life skills, substance abuse, and educational and vocational related services. These programs have been housed at the Premises since November, 2014.

The existing DHS program is comprised of DHS, DMH and the Department of Public Health staff who, in collaboration with the Los Angeles Homeless Services Authority, Lamp Community and AmeriCorps, engages people living in Skid Row to help them regain health and housing stability. This program has been housed at the Premises since December 2015.

The DMH FSP program provides direct outpatient services with an emphasis on supportive and recovery-based services that assist adult clients with serious mental illness to achieve personal goals, independence, and develop skills to support a constructive and satisfying life, as well as reducing disruptive incidents within the community.

The proposed new DMH MCRSEC program will emulate the department's Countywide Women's Community Reintegration Services and Education Center (WCRSEC) program. MCRSEC staff will provide direct, intensive in-reach and engagement services to men being released from the Men's Central Jail and Twin Towers Correctional Facility. The goal is to provide clients a solid pathway to community, and ongoing mental health services upon their release. In addition, the MCRSEC will serve as an education and training center for a variety of integrated care providers addressing issues affecting men upon their release from incarceration.

The facility will be occupied by 130 staff, comprised of 104 DMH and 26 DHS employees and community partners.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services, and the Goal of Integrated Services Delivery (Goal 3) directs that we maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services. In this case, the County is supporting these goals by consolidating operations, and improving efficiencies to provide quality information and services to residents. The proposed new lease is in conformance with the Asset Management Principles, as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease will provide DMH and DHS the use of approximately 24,234 square feet of office space at a maximum first year rental cost of \$898,337, which is comprised of the \$712,480 initial annual base rent, and the \$185,857 annual reimbursement of the \$433,064 Tenant Improvement (TI) allowance balance from the existing leases.

Sufficient funding for the proposed lease is included in the Fiscal Year (FY) 2016-17 Rent Expense budget, and will be charged back to DMH and DHS. DMH and DHS have sufficient funding in their FY 2016-17 operating budgets to cover the projected lease costs. Attachment B is an overview of the proposed lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease will provide approximately 24,234 square feet of office space, and includes the following provisions:

- An eight-year lease term, which commences upon completion of the TIs by SAMKO, LLC, (Landlord), or the Landlord's County-approved vendor, and acceptance by the County.
- A modified-gross lease whereby the Landlord is responsible for the operating and maintenance cost of the building, and the County is responsible for janitorial costs.
- A non-reimbursable TI allowance of \$242,340, or \$10 per square foot.
- A reimbursable TI allowance of \$2,665,740, or \$110 per square foot, payable in lump-sum or via construction progress payments.
- The new County TIs include base building improvements not provided by the Landlord, i.e., fire line, sprinklers, floor leveling, new separate store-front entrances, HVAC and electrical systems that are normally included in the rental rate.
- A balance of approximately \$433,064 is owed to the Landlord for TIs constructed under the existing lease, and will be included in the new lease.
- Furniture will be purchased through the TI allowance, or by the departments through Internal Services Department Purchasing.
- A mutual cancellation provision allowing the County and Landlord to cancel the lease at any time after the 84th month, with 120 days' prior written notice.
- Two five-year options to extend the lease at the same terms and conditions, with 120 days prior written notice by the Chief Executive Office (CEO).
- An option to lease up to an additional 6,123 square feet of expansion space at a maximum first year rent of \$249,042, comprised of \$180,016 first year rent and a \$69,026 Additional TI Allowance reimbursement, and otherwise at the same terms and conditions.

- Rental rate is subject to fixed 3 percent annual increases.
- Parking is provided, under a separate agreement, at the parking structure located across the street at 636 South Maple Avenue, Los Angeles.

The CEO, Real Estate Division staff conducted a market survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the survey area that could accommodate this requirement. Based upon a review of available industry data, staff has established that the annual rental range for similar space is between \$24 and \$42 per square foot on a modified-gross basis. Thus, the base annual rental rate of \$29 per square foot modified-gross, for the proposed lease represents a rate within the market range for the area. In addition, the proposed facility is the only viable space for DMH and DHS to house the programs within the service area. The facility is accessible by public transportation. Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the program.

Construction of the TIs will be completed in compliance with relevant building and construction laws and regulations. Notification letters advising of the proposed lease have been sent to the City of Los Angeles, pursuant to Government Code Sections 25351 and 65402.

The proposed lease will provide a central and appropriate location for services, which is consistent with the County's facility location policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

County Counsel has reviewed the attached lease and has approved it as to form.

ENVIRONMENTAL DOCUMENTATION

The CEO has made an initial study of environmental factors and concluded that the project will have no significant impact on the environment and no adverse effect on wildlife resources. A Negative Declaration has been prepared and a notice posted at the 208 East 6th Street facility as required by the California Environmental Quality Act (CEQA) and California Administrative Code, Section 15072. Copies of the completed study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received.

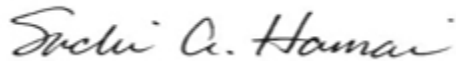
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will provide the necessary office space for these County requirements. DMH and DHS concur with the proposed recommendations.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors return five originals of the executed lease, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in cursive script, reading "Sachi A. Hamai".

SACHI A. HAMAI

Chief Executive Officer

SAH:DPH:CMM

TS:NCH:MAC:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Internal Services
Health Services
Mental Health

DEPARTMENTS OF MENTAL HEALTH AND HEALTH SERVICES
208 EAST 6TH STREET, LOS ANGELES
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²	X		
	B	Does lease co-locate with other functions to better serve clients? ²	X		
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² No, 186 sq. ft. per person.		X	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² Parking is provided under a separate agreement at the parking structure located at 636 South Maple Avenue, Los Angeles.		X	
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2.	<u>Capital</u>				
	A	Is it a substantial net County cost (NCC) program? DHS is 100 percent net County cost.	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment C?	X		
	G	Was build-to-suit or capital project considered?		X	
3.	<u>Portfolio Management</u>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			
	D	Why was this program not co-located?			
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. <u>X</u> No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.	X		
	E	Is lease a full service lease? ² The County is responsible for janitorial service as negotiated by the landlord.		X	
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval	X		
		¹ As approved by the Board of Supervisors 11/17/98			
		² If not, why not?			

**FISCAL IMPACT/FINANCING
OVERVIEW OF THE PROPOSED LEASE**

Proposed Lease	208 East 6th Street, Los Angeles
Area (Square Feet)	24,234 rentable square feet
Term (years)	Eight-years, commencing upon Board of Supervisors approval and County's acceptance of the TIs
Annual Basic Rent ⁽¹⁾	\$712,480 (\$29.40 per sq. ft. annually)
Annual TI Reimbursement for the balance owed on the existing leases ⁽²⁾	\$185,857 (\$7.67 per sq. ft.)
Annual TI Reimbursement Combined Balances for existing leases	\$433,064 (\$17.87 per sq. ft.)
Maximum First Year Rental Cost ⁽³⁾	\$893,337 (\$36.86 per sq. ft. annually)
Base TI Allowance (non-reimbursable)	\$242,340 (\$10 per sq. ft.)
Additional TI Allowance ⁽⁴⁾	\$2,665,740 (\$110 per sq. ft.)
Cancellation	Either party, at any time after the 84 th month upon 120 days prior written notice
Options to Renew	Two 5-year options upon 120 days written notice
Rental adjustment	Rental rate is subject to annual 3 percent increases
Parking ⁽⁵⁾	70
Parking Rate ⁽⁵⁾	\$100,800 (\$1,440 per space per year)

(1) Total Lease rate to be \$2.45/sf per month or \$29.40 per annum.

(2) \$433,064.14 represents the balanced owed on the previous reimbursable TI funds. The annual amortized TI reimbursement is \$185,857.08 (\$7.67 per sq. ft. annually).

(3) Includes first year annual basic rent and the annual reimbursement of the TI allowance balance of the existing leases.

(4) \$2,665,740 represents the maximum amount of reimbursable TI funds available for this project.

(5) Parking provided under a separate agreement, at the parking structure located across the street at 636 South Maple Avenue, Los Angeles.

**DEPARTMENT OF MENTAL HEALTH
SPACE SEARCH WITHIN A 1-MILE RADIUS OF
529 SOUTH MAPLE AVENUE, LOS ANGELES**

	FACILITY NAME	ADDRESS	SQUARE GROSS	FEET NET	OWNERSHIP	SQUARE FEET AVAILABLE
A216	DPSS-APPEALS & STATE HEARINGS	811 WILSHIRE BLVD, LOS ANGELES 90017	4512	4286	LEASED	NONE
A429	CEO-REAL ESTATE DIVISION/ SERVICE INTEGRATION	222 S HILL ST, LOS ANGELES 90012	30905	27158	LEASED	NONE
A632	PUBLIC DEFENDER-PIAS ET. AL	312 S HILL ST GRAND CENTRAL MARKET, LOS ANGELES 90012-3503	9782	9293	LEASED	NONE
A588	SHERIFF'S AB 109 PAROLE COMPLIANCE TEAM	301 S CENTRAL AVE, LOS ANGELES 90013	3100	2945	LEASED	NONE
Y013	DPSS-CIVIC CENTER DISTRICT/GROW CENTER OFFICE	813 E 4TH PL, LOS ANGELES 90013	39956	25158	OWNED	NONE
A218	MENTAL HEALTH-SKID ROW MANAGEMENT TEAM	420 S SAN PEDRO ST, LOS ANGELES 90013	3516	3340	LEASED	NONE
B426	DMH-ADULT SYSTEMS OF CARE-FSP	426 S SAN PEDRO ST, LOS ANGELES 90013	6500	6175	LEASED	NONE
B446	DHS-SKID ROW CLINIC	512 S SAN PEDRO ST, LOS ANGELES 90013	20628	19597	LEASED	NONE
B447	DMH-PROJECT 50 (OFFICE ONLY)	521 S SAN PEDRO ST, LOS ANGELES 90013	2540	2413	LEASED	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed Lease: New Eight-Year Lease for the Departments of Mental Health and Health Services – 208 East 6th Street, Los Angeles – 2nd District.

- A. **Establish Service Function Category** – Regional and local public service function.
- B. **Determination of the Service Area** – The proposed lease will allow consolidation of existing Department of Mental Health (DMH) and Department of Health Services (DHS) leases at the Premises. In addition the lease provides the following: adequate space for DMH to house its new Men's Community Reintegration Services and Education Center, relocate the Full Service Partnership program, and provides an option to lease up to an additional 6,123 of office space for future expansion when the space becomes available.
- C. **Apply Location Selection Criteria to Service Area Data**
- Need for proximity to service area and population: The relocation and consolidation of offices provides convenient accessibility of services to clients in the Skid Row area of Downtown Los Angeles.
 - Need for proximity to existing County facilities: The new location is strategically situated near the Downtown Mental Health Center and the DHS Housing for Health Clinic at the Stars Apartments facility and the recently approved Sobering Center at 640 South Maple Avenue.
 - Need for proximity to Los Angeles Civic Center: N/A
 - Economic Development Potential: N/A
 - Proximity to public transportation: The facility is conveniently located near public transportation, i.e., MTA bus service.
 - Availability of affordable housing for County employees: N/A
 - Use of historic buildings: N/A
 - Availability and compatibility of existing buildings: There are no existing County buildings available to meet the departments' service needs.
 - Compatibility with local land use plans: The proposed use is consistent with the building's use, zoning and not in conflict with the goals and policies of the City of Los Angeles. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

- Estimated acquisition/construction and ongoing operational costs: The initial annual basic rent of \$712,480, i.e., \$2.45 per square foot per month, and amortized cost of the additional tenant improvement allowance balance from previous TIs of \$433,064, comprises the total annual lease costs for the proposed leased facility. The rent billed to the departments will be based on the percentage of occupancy as follows: Departments of Mental Health 87.86 percent and Health Services 12.14 percent. Sufficient funding for the proposed lease are included in the Fiscal Year (FY) 2016-17 Rent Expense budget and will be charged back to DMH and DHS. DMH and DHS have sufficient funding to cover the proposed lease costs, which are funded under the Mental Health Services Act, State and federal funds for DMH. DHS is 100 percent net County Cost. In addition, telephone, data, and low voltage systems will be installed by Internal Services, Landlord or Landlord's County approved vendor at a cost not to exceed \$450,000, which will be paid by DMH and DHS via lump sum.

D. Analyze results and identify location alternatives

Based upon the space and service needs of DMH and DHS, CEO staff surveyed the immediate area to determine the availability of comparable and more economical sites. The proposed facility is the only viable space for DMH and DHS to house the programs within the service area that is accessible by public transportation.

Based upon a review of available industry data, staff has established that the annual rental range for similar is between \$24 and \$42 per square foot on a modified-gross basis. Thus, the base annual rental rate of \$29 modified-gross, for the proposed lease represents a rate within the market range for the area.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

The facility provides proper accommodations for staff to provide mental health and health services in the Skid Row area of Los Angeles. The lease is in conformance with the Asset Management Principles, as outlined in Attachment A. The consolidation of facilities at the proposed office will provide a central and appropriate location, which is consistent with the County's facility location policy, adopted by the Board of Supervisors on July 24, 2012.



State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
South Coast Region
3883 Ruffin Road
San Diego, CA 92123
www.wildlife.ca.gov

EDMUND G. BROWN JR., Governor
CHARLTON H. BONHAM, Director



CEQA Filing Fee No Effect Determination

Applicant Name and Address:

County of Los Angeles
Chief Executive Office
222 South Hill Street, 4th Floor
Los Angeles, CA 90012

CEQA Lead Agency: County of Los Angeles, Chief Executive Office

Project Name: Offices for the Departments of Mental Health and Health Services - 208 East 6th Street

CEQA Document Type: Negative Declaration

State Clearing House Number and/or local agency ID number: NA

Project Location: The proposed office lease is located at 208 East 6th Street, Los Angeles, CA, in the Second Supervisorial District of County of Los Angeles and is inclusive of the following addresses: 627, 631, 601, 607, and 607 South Maple Avenue and 244 East 6th Street.

Project Description: The proposed project consists of approximately 24,234 sq. ft. of office space and on site parking spaces for the Department of Mental Health (DMH and Health Services (DHS). The space will be used as the DHS Housing for Health City+County+Community C3 Program and the DMH Full Service Partnership program, Men's Reintegration Services and Education Center, Skid Row CalWork Families Assessment Team and PEI Center

Determination: Based on a review of the project as proposed, the Department of Fish and Wildlife has determined that for purposes of the assessment of CEQA filing fees (Fish and Game Code [FGC] Section 711.4(c)) the project has no effect on fish, wildlife or their habitat and the project as described does not require payment of a CEQA filing fee. This determination does not in any way imply that the project is exempt from CEQA and does not determine the significance of any potential project effects evaluated pursuant to CEQA.

Please retain this original determination for your records. Local lead agencies are required to file two copies of this determination with the county clerk at time of filing of the Notice of Determination (NOD) after the project is approved. State lead agencies are required to file two copies of this determination with the Office of Planning and Research (State Clearinghouse) at the time of filing the NOD. If you do not file a copy of this determination as appropriate with the county clerk or State Clearinghouse at the time of filing of the NOD, the appropriate CEQA filing fee will be due and payable.

Without a valid CEQA Filing Fee No Effect Determination form or proof of fee payment, the project will not be operative, vested, or final and any local permits issued for the project will be invalid, pursuant to FGC Section 711.4(c)(3).

DFW Approved By: Scott P. Harris Date: 02/23/2016

Title: Environmental Scientist

Conserving California's Wildlife Since 1870

DATE POSTED – February 2, 2016

NOTICE OF PREPARATION OF NEGATIVE DECLARATION

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles
Chief Executive Office
2. Address/Phone No. - 222 South Hill Street, 3rd Floor
Los Angeles, California 90012

<u>Agent</u>	<u>Telephone</u>
MiguelCovarrubias	(213) 974-4164
3. Date Information Form Submitted – February 2, 2016
4. Agency Requiring Information Form - Los Angeles County
Chief Executive Office
5. Address of Facility Involved – 627 South Maple Ave, Los Angeles, CA 90014
6. Description of Project - The leasing of office space in an existing commercial building to be used by the County of Los Angeles, Departments of Mental Health and Health Services for offices providing services to area residents.
7. Finding for Negative Declaration - It has been determined that this project will not have a significant effect on the environment.

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2. above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con el agente designado, para asistencia en obtener una traduccion.

THIS NOTICE WAS POSTED

ON February 02 2016
UNTIL March 03 2016

REGISTRAR – RECORDER/COUNTY CLERK

2016 026199



FILED
Feb 02 2016

Dean C. Logan, Registrar – Recorder/County Clerk

Electronically signed by KATHRYN BRAILSFORD

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE



Dean C. Logan, Registrar - Recorder/County Clerk

Electronically signed by KATHRYN BRAILSFORD

NEGATIVE DECLARATION

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to lease facilities at 627 South Maple Avenue, Los Angeles, California, which will be used by the Department of Mental Health and Health Services for offices providing services to area residents. The facilities, located in the Second Supervisorial District approximately 1 mile from the Los Angeles Civic Center, includes 24,234 square feet of office space comprised of leasing an additional 13,378 square feet of office space and 10,856 square feet of existing office space. The Landlord has no expansion plans beyond the scope of this project.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

NEGATIVE DECLARATION

Department Name: Mental Health and Health Services
Project: Adult Systems of Care – Full Service
Partnership program, Men's Reintegration
Services and Education Center, Skid Row
CalWork Families Assessment Team, PEI
Center and Housing for Health's City+County+
Community C3 program.

Pursuant to Section 15072, California Environmental Quality Act and California
Administrative Code Title 14, Division 6

1. Description of Project

The leasing of existing office space in an existing commercial building to be
used by the County of Los Angeles, Department of Mental Health and Health
Services providing services to area residents.

2. a. Location of Project (plot plan attached)

627 South Maple Avenue, Los Angeles, CA 90014

b. Name of Project Proponent

County of Los Angeles
Chief Executive Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012



Deen C. Logan, Registrar - Recorder/County Clerk

Electronically signed by KATHRYN BRAILSFORD

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the
environment based on information shown in the attached Environmental
Information Form dated February 2, 2016 which constitutes the Initial Study of
this project.

4. Initial Study

An Initial Study leading to this Negative Declaration has been prepared by the
Chief Executive Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date
February 2, 2016

Real Property Agent
Miguel Covarrubias

Telephone
(213) 974-4164

627 Maple Ave - Google Maps



200 ft |

2016 026199



FILED

Feb 02 2016

Dean C. Logan, Registrar – Recorder/County Clerk

Electronically signed by KATHRYN BRAILSFORD

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT**

**DEPARTMENT: MENTAL HEALTH AND HEALTH SERVICES, as Tenant
LANDLORD: SAMKO LLC, a California Limited Liability Company**

208 East 6th Street, Los Angeles, California 90014

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COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT

THIS LEASE is entered into as of the 4th day of October, 2016 between SAMKO LLC, a California Limited Liability Company ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION: The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

1.1 Defined Terms Relating to the Lease:

(a) Landlord's Address for Notice: SAMKO LLC, a California Limited Liability Company
208 East 6th Street
Los Angeles, California 90014

(b) Tenant's Address for Notice: Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:

Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 217-4971

(c) Premises: Approximately 24,234 rentable square feet comprised as follows:

Premises A (Department of Mental Health):
Approximately 5,552 rentable square feet in the Building (defined below) in the space known as 631 South Maple Avenue, Los Angeles as shown on Exhibit A attached hereto.

Premises B (Department of Mental Health):
Approximately 2,363 square feet in the Building (defined below) in the space known as 224 East 6th Street, Los Angeles as shown

on Exhibit A attached hereto.

Premises C (Department of Health Services): Approximately 2,941 square feet in the Building (defined below) in the space known as 601 South Maple Avenue, Los Angeles as shown on Exhibit A attached hereto

Premises D (Department of Mental Health): Approximately 13,378 square feet in the Building (defined below) in the space known as 627 South Maple Avenue, Los Angeles as shown on Exhibit A attached hereto.

(d) Expansion Space:

Premises E (Expansion Space): Approximately 1,815 square feet of expansion space in the Building if needed (defined below) in the space known as 611 South Maple Avenue, Los Angeles as shown on Exhibit A attached hereto

Premises F (Expansion Space): Approximately 968 square feet of expansion space in the Building if needed (defined below) in the space known as 613 South Maple Avenue, Los Angeles as shown on Exhibit A attached hereto

Premises G (Expansion Space): Approximately 3,340 square feet of expansion space in the Building if needed (defined below) in the space known as 637A South Maple Avenue, Los Angeles as shown on Exhibit A attached hereto

(e) Building:

The building located at 208 East 6th Street, Los Angeles, which includes the following:

Premises A, commonly known as 631 South Maple Avenue, Los Angeles,

Premises B, commonly known as 224 East 6th Street, Los Angeles,

Premises C, commonly known as 601 South Maple Avenue, Los Angeles,

Premises D, commonly known as 627 South Maple Avenue,

Premises E (Expansion Space), commonly known as 611 South Maple Avenue and

Premises F (Expansion Space), commonly known as 613 South Maple Avenue

Premises G (Expansion Space), commonly known as 637A South Maple Avenue

all which is located upon the real property described more particularly in Exhibit B attached hereto (the "Property");

- (f) Term: Eight (8) years commencing upon Tenant's Acceptance of the Premises as defined in Section 4 (the "Commencement Date"); and terminating at midnight on the day before the 8th anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant or Landlord as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
- (g) Projected Commencement Date: January 1, 2017
- (h) Commencement Date: See Section 4
- (i) Irrevocable Offer Expiration Date: October 4, 2016
- (j) Basic Rent: \$59,373.30 per month (which is based upon a rental rate of \$2.45 per rentable square foot (adjustable only as provided in Sections 2(b) and 5.)
- (k) Early Termination Date: On the 7th anniversary of the Commencement Date
- (l) Rentable Square Feet in the Premises: 24,234
- (m) Use: General office use, mental health counseling, therapy or for any other lawful purposes not incompatible with other uses in the Building.
- (n) Initial Departmental Use: Department of Mental Health and/or Department of Health Services
- (o) Parking Spaces: N/A
- (p) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day,

Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.

(q) Asbestos Report: Not Applicable

1.2 Defined Terms Relating to Landlord's Work Letter: Not Applicable

(a) Base Tenant Improvement Allowance: As defined and described in Sections 4, 5, 23 and Exhibit F.

(b) Additional Tenant Improvement Allowance: As defined and described in Sections 4, 5, 23 and Exhibit F.

(c) Maximum Change Order Allowance: Not Applicable

(d) Additional Tenant Improvement and Change Order Amortization Rate: Not Applicable

(e) Basic Rent Reduction: Not Applicable

(f) Tenant's Work Letter Representative: Not Applicable

(g) Landlord's Work Letter Representative: Not Applicable

(h) Landlord's Address for Work Letter Notice: Not Applicable

(i) Tenant's Address for Work letter Notice: Not Applicable

1.3 Exhibits to Lease: Exhibit A - Floor Plan of Premises
Exhibit B- Legal Description of Property
Exhibit C - Commencement Date
Memorandum and Confirmation of Lease Terms
Exhibit D - HVAC Standards
Exhibit E - Cleaning and Maintenance Schedule
Exhibit F- Premises A, B and C Additional Tenant Improvement Allowance, Reimbursement and Amortization Schedules

1.4 Landlord's Work Letter: Not Applicable
(Executed concurrently with this Lease
and made a part hereof by this
reference):

1.5 Supplemental Lease
Documents: (Delivered to
Landlord and made a part hereof by this
reference):

Document I: Subordination, Non-disturbance
and Attornment Agreement
Document II: Tenant Estoppel Certificate
Document III: Community Business
Enterprises Form
Document IV: Memorandum of Lease
Document V: Request for Notice

2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Tenant shall have the right within ninety (90) days of approval of this Lease by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") to field-measure and verify the exact footage of the Premises. All measurements shall be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association ("BOMA") International except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, Tenant shall have the right to adjust such square footage and reduce the Basic Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Basic Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this subsection (b), Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect to which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement

Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The Commencement Date shall begin upon Tenant's Acceptance of the Premises. The term "Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete. Tenant has inspected the Premises and Tenant has accepted the Premises. For purposes of this Section 4, the terms "Commencement Date," "Acceptance of the Premises," and "Substantially Complete (or "Substantial Completion")" are defined in more detail in Section 4(d) below.

(b) Early Termination and Replacement of Current Leases. One of the purposes of this Lease is to enter into a new lease that will replace various leases previously entered into and currently still in effect for Premises A and B (Lease Number 78261 dated September 2, 2014 with the Department of Mental Health of the Tenant) and Premises C (Lease Number L-1234 dated October 2, 2015 for Suite Number 601 S. Maple Ave., Lease Number L-1238 dated October 29, 2015 for Suite Number 607 S. Maple Ave., and Lease Number L-1240 dated December 2, 2015 for Suite Number 609 S. Maple Ave. with the Department of Health Services of the Tenant) (collectively, the "Current Leases"). Landlord and Tenant agree that, upon the Commencement Date of this new Lease, the Current Leases shall terminate concurrently, although Tenant's current occupancy of the Premises under the Current Leases shall be permitted to continue without interruption between the concurrent termination of the Current Leases and the commencement of this new Lease. The determination of the Commencement Date for this Lease, pursuant to the terms set forth in Sections 4(a) and (d), shall be acknowledged in writing in the Commencement Date Memorandum and Confirmation of Lease Terms. Landlord and Tenant hereby agree to waive any and all early termination requirements, including but not limited to early termination notices to the other party, under the Current Leases.

(c) Additional New Space: Another purpose of this Lease is to provide the terms and conditions for Landlord to lease to Tenant the additional space in the Building, described in this Lease as Premises D, as of the Commencement Date (as defined in Section 4(a)).

(d) Tenant hereby acknowledges and agrees that it has previously acknowledged and accepted Premises A, B and C to be Substantially Complete (as defined in Section 4(a) of the respective Current Leases) by previously executing a Commencement Date Memorandum and Confirmation of Lease Terms for Premises A, B and C pursuant to the requirements of the respective Current Leases. Therefore, pursuant to Sections 4(a) and this Section 4(d) of this Lease, determination of the Commencement Date and Tenant's Acceptance of the Premises shall be based solely upon the Substantial Completion of Premises D. Therefore, references to Premises in Section 4(a) and this Section 4(d) of this Lease shall be deemed to exclusively refer to Premises D. The term "Substantially Complete" (or "Substantial Completion") as used in this Lease shall include compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy, or the earlier of receiving the City of Los Angeles Department of Building and Safety's final inspection approval or Tenant's occupancy of the Premises for that portion of the Building that includes all of the Premises, or its equivalent; and (4) if Landlord is responsible for the installation of telecommunication systems, then such systems shall be completely operational.

(e) Until the concurrent termination of the Current Leases and commencement of this new Lease as set forth in this Section 4, Tenant's obligations to pay Landlord the Basic Rent for the Current Leases (as defined in Section 1 thereof) shall continue to remain in full force and effect and shall continue to be binding on Tenant in accordance with the respective Current Leases' terms and conditions .

(f) Tenant's obligations to repay: (i) the Additional Tenant Improvement Allowance pursuant to Section 6.3 of the Landlord's Work Letter dated September 2, 2014, entered into by and between Landlord and Tenant pursuant to the corresponding Lease Agreement for Premises A and B (Lease Number 78261 dated September 2, 2014 with the Department of Mental Health of the Tenant), as reflected on the reimbursement and amortization calculator schedule attached hereto as Exhibit F and incorporated by reference herein; (ii) the Additional Tenant Improvement Allowance pursuant to Section 23 of Lease Agreement for Premises C, Suite Number 601 S. Maple Avenue (Lease Number L-1234 dated October 2, 2015, with the Department of Health Services of the Tenant), as reflected on the reimbursement and amortization calculator schedule attached hereto as Exhibit F and incorporated by reference herein; (iii) the Additional Tenant Improvement Allowance pursuant to Section 23 of Lease Agreement for Premises C, Suite Number 607 S. Maple Avenue (Lease Number L-1238 dated October 29, 2015 with the Department of Health Services of the Tenant), as reflected on the reimbursement and amortization calculator schedule attached hereto as Exhibit F and incorporated by reference herein; and (iv) the Additional Tenant Improvement Allowance pursuant to Section 23 of Lease Agreement for Premises C, Suite Number 609 S. Maple Avenue (Lease Number L-1240 dated December 2, 2015 with the Department of Health Services of the Tenant), as reflected on the reimbursement and amortization calculator schedule attached hereto as Exhibit F (collectively, "Premises A, B and C Additional Tenant Improvement Allowances") and incorporated by reference herein, shall all be incorporated by reference herein and Tenant shall assume in full those continuing obligations under this Lease. Tenant hereby reaffirms its obligations to repay the Premises A, B and C Additional Tenant Improvement Allowances, and hereby acknowledges and agrees the commencement of this Lease shall not in any way void or modify Tenant's obligations to re-pay the Premises A, B and C Additional Tenant Improvement Allowances in accordance with the respective Current Leases' terms and conditions and the reimbursement and amortization schedules attached hereto as Exhibit F.

(g) Early Termination. Tenant and Landlord shall each have the mutual right to terminate this Lease in whole or in part on the Early Termination Date, as defined in Section 1, by giving the other party not less than 120 days prior written notice executed by the Landlord or the Chief Executive Office of the Tenant, as applicable.

5. RENT. Tenant shall pay Landlord the Basic Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month.

All amounts owed by Tenant pursuant to this Lease, including but not limited to the Premises A, B and C Additional Tenant Improvement Allowances (as defined in Section 4) and

the Additional Tenant Improvement Allowance (as defined in Section 23), shall be considered Rent under this paragraph 5.

On an annual basis, Basic Rent shall be adjusted as follows:

<u>Year</u>	<u>Rate/Square foot</u>	<u>Monthly</u>
1	\$2.45	\$59,373.30
2	\$2.52	\$61,069.68
3	\$2.60	\$63,008.40
4	\$2.68	\$64,947.12
5	\$2.76	\$66,885.84
6	\$2.84	\$68,824.56
7	\$2.93	\$71,005.62
8	\$3.01	\$72,944.34

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 30 days written notice from the Chief Executive Officer of Tenant at the last monthly Basic Rent payable under this Lease (as such Basic Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, Titles II and III of the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenantable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within ten days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure

to do so shall be a material default hereunder. Basic Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises. Notwithstanding any provision of this Lease to the contrary, in the event Tenant elects to terminate the Lease pursuant to this Section 9(b), Tenant's obligation to repay Landlord: (i) the Premises A, B and C Additional Tenant Improvement Allowances (as defined in Section 4) and/or (ii) the Additional Tenant Improvement Allowance (as defined in Section 23(a)) shall continue in full force and effect after termination. Furthermore, any outstanding Premises A, B and C Additional Tenant Improvement Allowances (as defined in Section 4) and/or the Additional Tenant Improvement Allowance (as defined in Section 23(a)) costs as of the date of termination shall become immediately due and payable to Landlord in a lump sum payment in immediately available funds.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall be automatically deemed to have terminated upon 30 days from said written notice of termination.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Basic Rent next due as a charge against the Landlord.

10. REPAIRS AND MAINTENANCE

(a) Landlord Representations. Landlord represents to Tenant that (i) the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including use the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined) except as disclosed below; and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in

violation of any law or regulation. Landlord represents, and Tenant acknowledges, that the Premises and Building contain lead paint, asbestos and asbestos containing materials. Tenant hereby agrees that Landlord shall not be liable for, and shall hold Landlord harmless, from any claims of injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Premises, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents or contractors, caused by or as a result of the presence of lead paint, asbestos and/or asbestos containing materials in the Premises and/or Building. Tenant hereby agrees to indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorney's fees, arising from any injury or damage to any person or property, occurring in or about the Premises and/or Building as a result of the presence of lead paint, asbestos and/or asbestos containing materials in the Premises and/or Building. Finally, Tenant acknowledges and agrees that Landlord shall have no obligation to abate any lead paint, asbestos and/or asbestos containing materials in the Premises and/or Building. Nothing in this Section 10 shall be construed to waive, limit, or supersede any of Lessee's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable and fire/life safety systems in each such case serving the Building (ii) mechanical (including HVAC), and concealed plumbing (e.g., rough plumbing in walls and floors) serving the Premises (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building.

(c) Tenant Obligations. Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, keep the Premises in reasonably good order, condition and repair and perform maintenance upon and replace as needed, including, without limitation, any and all Tenant Improvements (as defined in Section 23(b)) constructed in such Premises and any modular furniture and office equipment installed in such Premises and shall be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of electrical, low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and

customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days, Tenant shall be entitled to deduct from Basic Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

(e) Notwithstanding any provisions of this Lease to the contrary, Tenant at its sole discretion, acting through the Chief Executive Office of Tenant, may request from Landlord, without any obligation on the part of Landlord to comply with said request, to perform repair, maintenance, janitorial and/or tenant improvement work. Tenant shall reimburse Landlord upon completion, the cost of any such work or service that is performed by Landlord. Any Landlord charges to Tenant for administrative costs associated with such work shall not exceed three and one-half percent (3.5%) of the costs actually incurred by the Landlord in performance or contracting out such work.

11. SERVICES AND UTILITIES

Landlord, or Tenant, as applicable, shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. Tenant shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

(c) Elevators. Not applicable.

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Tenant shall provide janitorial service on five nights per week

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

(g) Security. Tenant shall provide, at its sole cost and expense, no less than one (1) security guard for each of the Premises A, B and D during Normal Working Hours set forth in Section 1(o) of this Lease for the primary purpose of protecting the Premises and to ensure that Tenant's employees, agents, contractors, visitors and customers are directed to the appropriate

area within the Premises and to avoid any such persons from loitering outside such Premises and/or the Building. Tenant may request Landlord to provide said security service including for Premises C, and reimburse Landlord the cost of the service.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Premises, Basic Rent shall be prorated based upon the percentage of the Premises rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. TENANT DEFAULT

(a) Default. The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. Notwithstanding any provision to the contrary in this Lease, in the event Landlord elects to terminate the Lease pursuant to this Section 13(b), Tenant's obligation to repay Landlord (i) the Premises A, B and C Additional Tenant Improvement Allowances (as defined in Section 4) and/or (ii) the Additional Tenant Improvement Allowance (as defined in Section 23) shall continue in full force and effect after termination. Furthermore, any outstanding Premises A, B and C Additional Tenant Improvement Allowances (as defined in Section 4) and/or Additional Tenant Improvement Allowance (as defined in Section 23) as of the date of termination of the Lease shall become immediately due and payable to Landlord in a lump sum payment in immediately available funds. Notwithstanding the foregoing, Landlord retains any other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(d) and 19, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within ten days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(d)); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such ten day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten (10%) per annum from the installments of Basic Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Basic Rent next coming due; and/or (iv) to terminate this Lease. Notwithstanding any provision of this Lease to the contrary, in the event Tenant elects to terminate the Lease pursuant to this Section 9(b), Tenant's obligation to repay Landlord (i) the Premises A, B and C Additional Tenant Improvement Allowances (as defined in Section 4) and/or (ii) the Additional Tenant Improvement Allowance (as defined in Section 23) shall continue in full force and effect after termination. Furthermore, any outstanding Premises A, B and C Additional Tenant Improvement Allowances (as defined in Section 4) and/or Additional Tenant Improvement Allowance (as defined in Section 23) as of the date of termination shall become immediately due and payable to Landlord in a lump sum payment in immediately available funds.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING. Tenant may not assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises without first obtaining Landlord's prior written consent, which consent Landlord shall not unreasonably withhold if (i) Tenant can provide sufficient evidence to assure Landlord that assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease and (ii) the assignee's use of the Premises shall not be materially different from the use of the Premises by Tenant at such time of the proposed assignment, subletting or other transfer of this Lease. Notwithstanding anything to contrary set forth herein, no assignment, subletting or other transfer of this Lease shall relieve Tenant of any liability under this Lease.

16. ALTERATIONS AND ADDITIONS

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, except for the Tenant Improvements (as defined in Section 23(b)) Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations and Tenant Improvements (as defined in Section 23(b)) not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term, provided, however, Landlord shall have the option to require Tenant to remove any and all Alterations or Tenant Improvements (as Section 23(b)) at the expiration of the Term, and if Landlord make such election, Tenant shall, at its sole cost and expense remove any and all Alterations and/or Tenant Improvements. Tenant shall repair any damage to the Premises occasioned by the installation or removal of any Alterations and/or Tenant Improvements. Notwithstanding anything to the contrary or otherwise stated in this Lease, Tenant shall leave the airlines, power panels, electrical distribution systems, lighting fixtures, air-conditioning, plumbing and other utilities on the Premises.

17. CONDEMNATION

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the

space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated. Notwithstanding any provision of this Lease to the contrary, in the event Tenant elects to terminate the Lease pursuant to this Section 9(b), Tenant's obligation to repay Landlord (i) the Premises A, B and C Additional Tenant Improvement Allowances (as defined in Section 4) and/or (ii) the Additional Tenant Improvement Allowance (as defined in Section 23) shall continue in full force and effect after termination. Furthermore, any outstanding Premises A, B and C Additional Tenant Improvement Allowances (as defined in Section 4) and/or Additional Tenant Improvement Allowance (as defined in Section 23) as of the date of termination shall become immediately due and payable to Landlord in a lump sum payment in immediately available funds.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

18. INDEMNIFICATION

Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant or its employees contractors, licensees, agents, guests or visitors, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or

immunities under the California Labor Code, including but not limited to a waiver pursuant to section 3864 of the Labor Code.

(a) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19. INSURANCE

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage ; and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) naming Tenant and its Agents as an additional insured, with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; and (2) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach and default of this Lease.

(b) Tenant's Insurance. Tenant shall maintain, at Tenant's own cost throughout the Term: (i) commercial general liability insurance in the same amounts and with the same limits as required to be carried by Landlord under Section 19(a)(ii), and (ii) a policy of standard fire and extended coverage insurance on Tenant's personal property, which shall provide coverage of one hundred percent (100%) of the full replacement value.

(c) Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to Landlord after execution of this Lease at Landlord's request.

(d) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better. All liability and property damage and other casualty policies of Landlord shall be written as primary policies, not contributing with, and not in excess of coverage which Tenant may carry.

(e) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates shall include the address of the leased premises and must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(f) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

20. PARKING. Tenant hereby acknowledges and agrees that it is leasing the Premises without any right to any parking spaces within the Premises and/or the Building. Any parking required by Tenant, its employees, agents, contractors, visitors and customers shall be arranged by Tenant without any obligation upon the Landlord.

21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Except as set forth in Section 10 (a), Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments,

causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials, except for those caused by Tenant and except for the presence of lead paint, asbestos and asbestos containing materials in the Premises and/or Building, as disclosed to Tenant prior to the execution of this Lease. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency, provided, however, that Tenant acknowledges and agrees that Landlord shall have no obligation to abate any lead paint, asbestos or asbestos-containing materials in the Premises or Building. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS.

(a) Prior to the Commencement Date, Landlord shall execute and accommodate any construction contracts ("Construction Contracts"), paid at Landlord's cost not to exceed \$242,340 (said amount constituting a "Tenant Improvement Allowance") and paid at Tenant's cost, directly by Landlord, not to exceed \$2,665,740 (constituting an "Additional Tenant Improvement Allowance") on behalf of Tenant for the construction of the Tenant Improvements as defined in Section 23(b). Tenant shall oversee and coordinate the construction of the Tenant Improvements per Tenant's plans and specifications.

(b) The Additional Tenant Improvement Allowance used to pay for all or a portion of the Tenant Improvement costs shall, at Tenant's election, be paid to Landlord (i) in a lump sum when the Tenant Improvements are Substantially Complete, or (ii) in construction progress payments. Tenant may at any time during the Term pre-pay Landlord in a lump sum for all or any portion of the Additional Tenant Improvement Allowance, amortizing any remaining amount in equal amortized monthly payments over the initial five (5) years of the Term of the Lease at the Tenant Improvement Amortization Rate of eight (8) percent per annum. The "Tenant Improvements" are shown and defined on Exhibit A attached hereto.

(c) In an effort to clarify matters, in addition to Tenant's obligation to repay the Additional Tenant Improvement Allowance pursuant to Section 23 of this Lease, Tenant shall continue to have the obligation to repay the Premises A, B and C Additional Tenant Improvement Allowance, as defined and set forth in Section 4. Tenant hereby acknowledges and agrees that neither the execution of this Lease nor anything to contrary set forth herein shall be

deemed to in any way to void or modify Tenant's obligations to repay such Premises A, B and C Additional Tenant Improvement Allowances pursuant to Section 4.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith within 30 days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Document V in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may be required to remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease and the Supplemental Lease Documents, as applicable, are the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any

act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Document III in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(l) Memorandum of Lease. If requested by Tenant, Landlord and Tenant shall execute and acknowledge a Memorandum of Lease in the form of Document IV in the Supplemental Lease Documents delivered to Landlord concurrently herewith, which Memorandum may be recorded by Tenant in the Official Records of Los Angeles County.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegate (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give

consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Basic Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated

damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

33. OPTION TO EXTEND.

(a) Terms of Option Provided that no material default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have two options to renew this Lease for two additional consecutive periods of five (5) years each (each, an "Option Term").

(b) Exercise of Option If Tenant elects to exercise its option to extend the Lease, Tenant shall give Landlord written notice by Chief Executive Office letter no later than 90 days prior to the end of the initial Term, or first option term, as the case may be. The rights contained in this Section shall be personal to the original Tenant and may only be exercised by the original Tenant and not any other assignee, sublessee or other transferee of the original Tenant's interest in this Lease. Landlord and Tenant acknowledge that only the Board of Supervisors of the County of Los Angeles (Board) possesses the authority for Tenant to actually exercise an option, and therefore, any exercise of an option will be valid and binding only if specifically authorized by the Board through their express vote and approval.

(c) Terms and Conditions of Extension Term The Option Term shall be on all the terms and conditions of this Lease, except that (A) Basic Rent for each Option Term shall be the higher of (i) the market rate for such Premises as mutually agreed upon by Landlord and Tenant or (ii) the rate in effect (adjustable only as provided in Sections 2(b) and 5) during the last year of the original Lease Term (or first Option Term, as the case may be) subject to three percent annual adjustments and (B) Tenant and Landlord each shall have the mutual right to terminate this Lease on the 30th month anniversary after the commencement of each applicable option period by giving the other party not less than 120 days prior written notice from the Landlord or Tenant's Chief Executive Office, as applicable

34. OPTION TO EXPAND SPACE

(a) Terms of Option Provided that no material default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have the option to increase the square footage of the Premises as described in Section 1.1(c) by leasing separately or collectively Premises E, F and/or G ("Expansion Space"), as described in Section 1.1(d) and as depicted in Exhibit A attached hereto, when available and at the sole discretion of Tenant.

(b) Exercise of Option If Tenant elects to exercise its option to increase the rentable square footage provided in Section 1.1(c), Tenant shall give Landlord written notice by Chief Executive Office letter of its intent to exercise its option. The rights set forth in this Section are personal to the Tenant and may only be exercised by the Tenant and not any other assignee, sublessee or other transferee of the original Tenant's interest in this Lease. Landlord and Tenant acknowledge that only the Board of Supervisors of the County of Los Angeles (Board) possesses the authority for Tenant to actually exercise an option, and therefore, any exercise of an option will be valid and binding only if specifically authorized by the Board through their express vote and approval.

(c) Terms and Conditions of Extension Term Leasing of the Expansion Space shall be on all the terms and conditions of this Lease, and at the rental rate in effect for this Lease at the time the option is exercised in accordance with the rent schedule provided, and subject to the rental increases provided in, said Section 5 of this Lease. For any portion of or for the entire Expansion Space, the Landlord agrees to provide a Base Tenant Improvement Allowance of up to \$61,230 and an Additional Tenant Improvement Allowance of up to \$650,000, which shall be provided in accordance with Section 23 of this Lease.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

SAMKO LLC, a California Limited Liability Company

By: [Signature]

Name: ADRIK MINASSIAN

Its: MANAGER

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: [Signature]
Hilda L. Solis

ATTEST:

Lori Glasgow
Executive Officer-Clerk
of the Board of Supervisors

By: [Signature]
Deputy



78537

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: [Signature]
Deputy

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

LORI GLASGOW
Executive Officer
Clerk of the Board of Supervisors

By: [Signature]
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

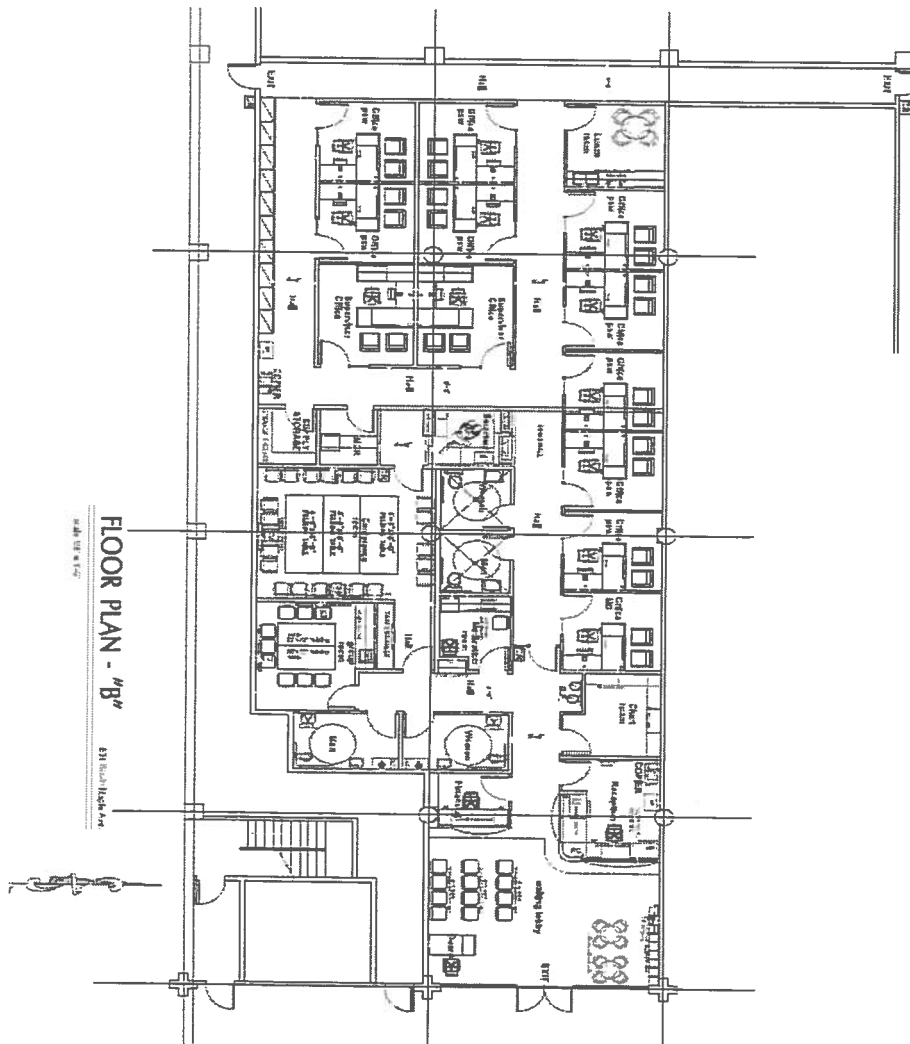
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OCT 4 2016

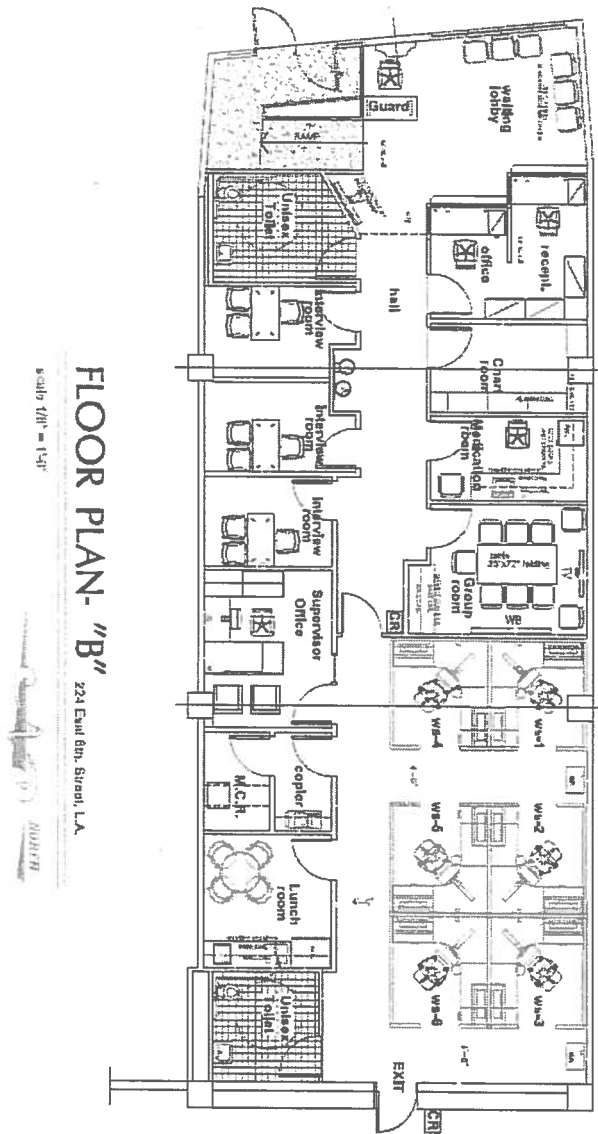
[Signature]
LORI GLASGOW
EXECUTIVE OFFICER

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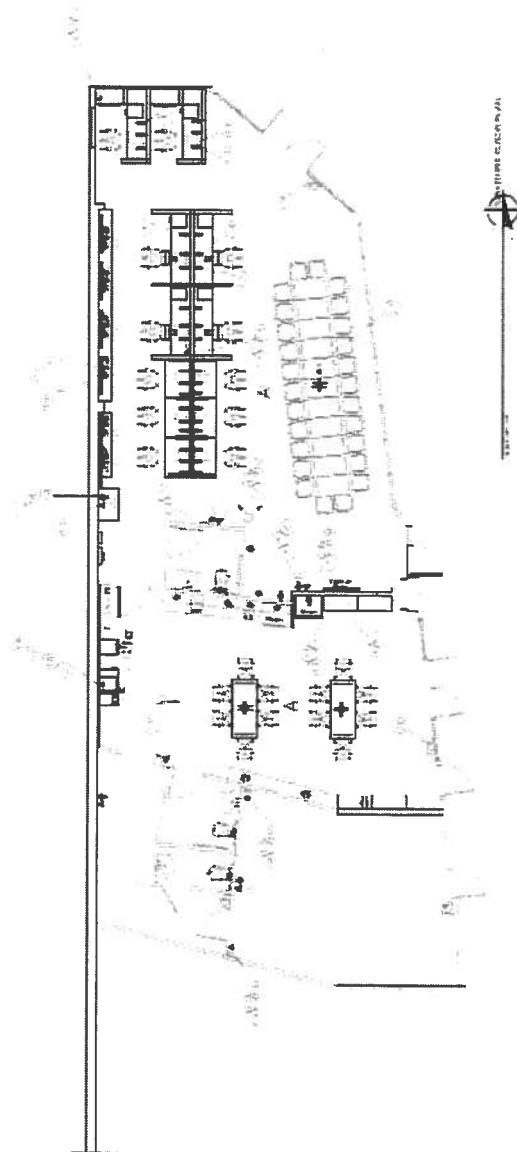
FLOOR PLAN OF PREMISES A



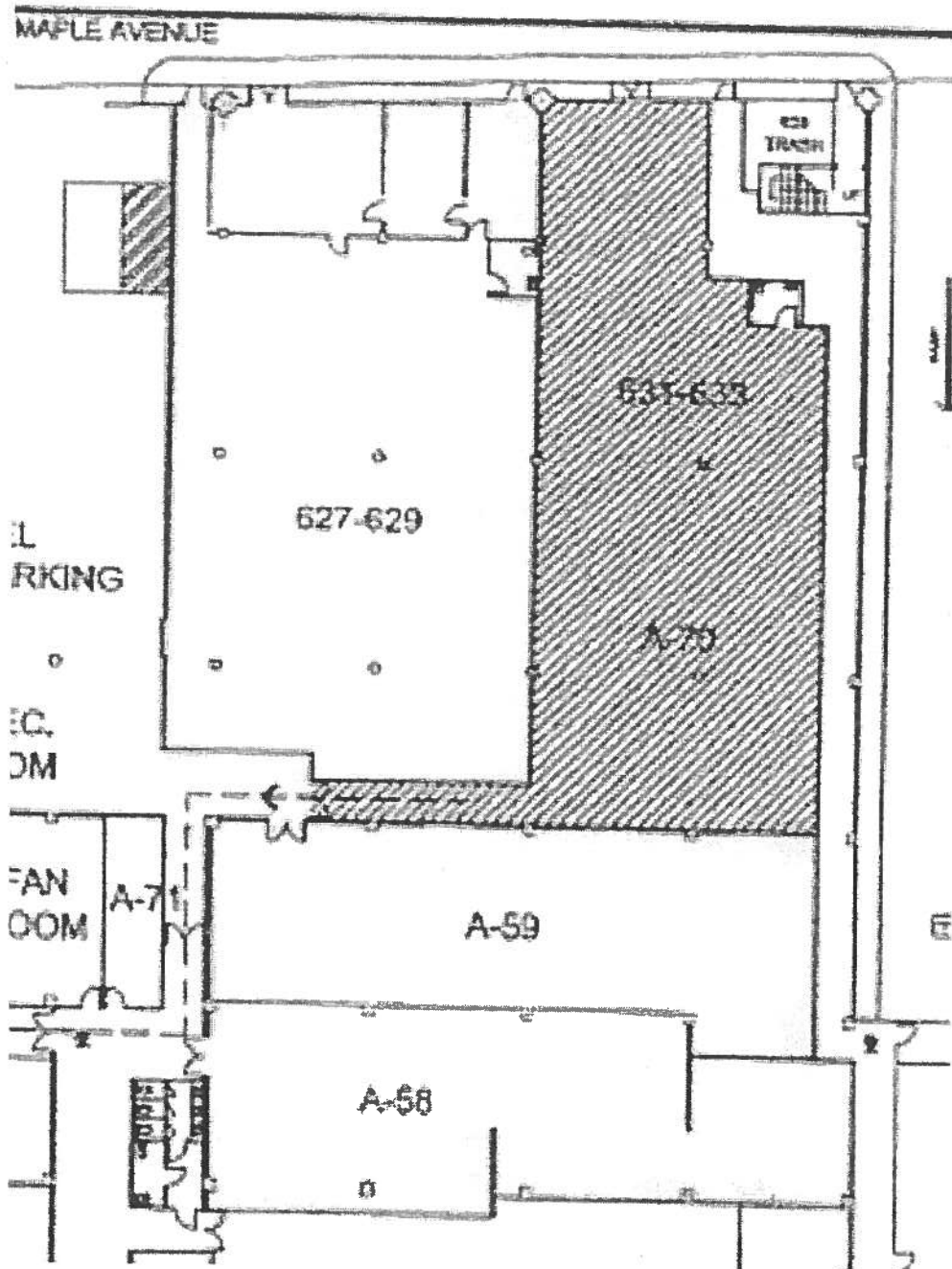
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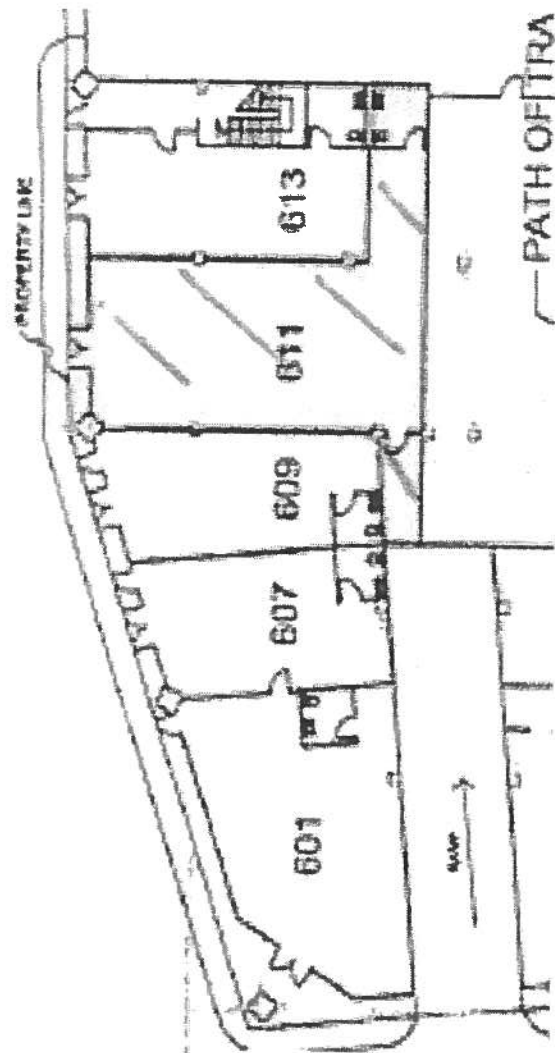
FLOOR PLAN OF PREMISES C



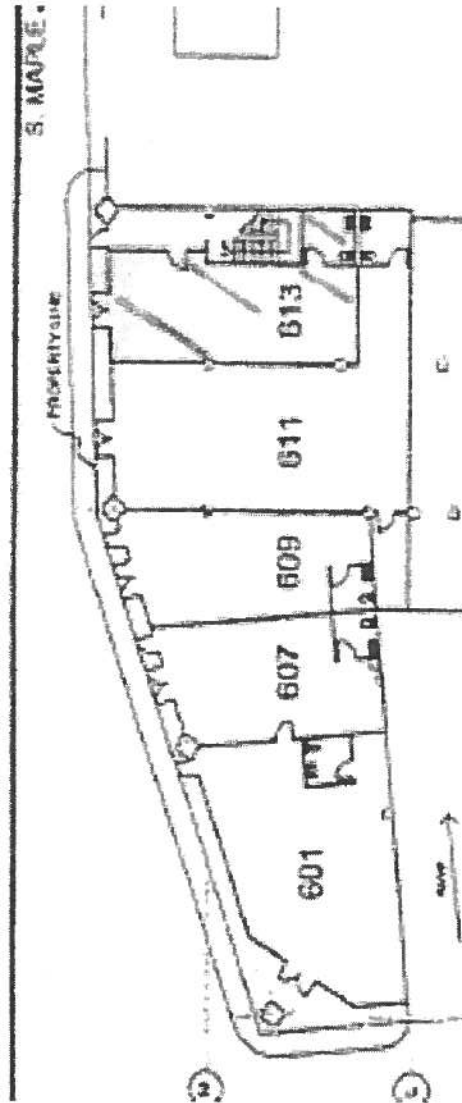
FLOOR PLAN OF PREMISES D



FLOOR PLAN OF PREMISES E



FLOOR PLAN OF PREMISES F



FLOOR PLAN OF PREMISES G

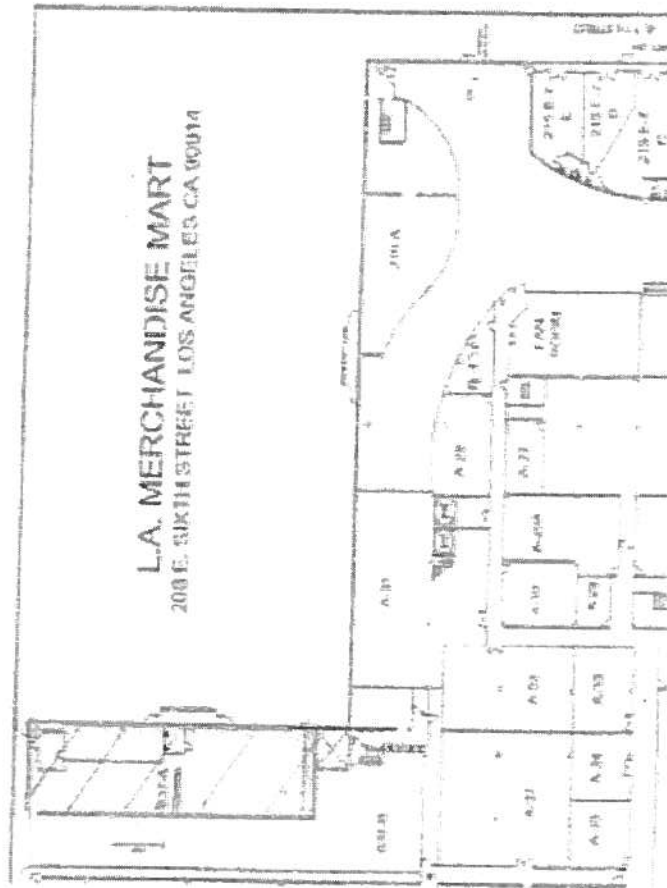


EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

5. The land referred to in this policy is situated in the State of California, County of LOS ANGELES and is described as follows:

A PARCEL OF LAND IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHEASTERLY LINE OF LOS ANGELES STREET (80 FEET WIDE) AS SHOWN ON MAP OF THE 6TH ST. TERMINAL TRACT, RECORDED IN BOOK 9 PAGE 100 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, WITH THE SOUTHWESTERLY LINE OF 6TH STREET (NOW 70 FEET WIDE) AS SAID SOUTHWESTERLY LINE WAS ESTABLISHED BY FINAL DECREE OF CONDEMNATION ENTERED IN CASE NO. 54475, SUPERIOR COURT, A CERTIFIED COPY THEREOF BEING RECORDED IN BOOK 3712 PAGE 75 OF DEEDS, IN SAID OFFICE OF THE COUNTY RECORDER; THENCE ALONG SAID SOUTHWESTERLY LINE SOUTH 54 DEGREES 12 MINUTES 25 SECONDS EAST 349.13 FEET TO THE NORTHWESTERLY LINE OF MAPLE AVENUE (50 FEET WIDE) AS SHOWN ON SAID LAST MENTIONED MAP; THENCE ALONG SAID NORTHWESTERLY LINE SOUTH 23 DEGREES 54 MINUTES 18 SECONDS WEST 102.45 FEET TO AN ANGLE POINT THEREIN; THENCE CONTINUING ALONG THE NORTHWESTERLY LINE OF SAID MAPLE AVENUE, SOUTH 39 DEGREES 34 MINUTES 15 SECONDS WEST 248.88 FEET TO THE MOST SOUTHERLY CORNER OF LOT 5 OF REYES VINEYARD PROPERTY, AS SHOWN ON MAP RECORDED IN BOOK 55 PAGE 92 OF MISCELLANEOUS RECORDS, IN SAID OFFICE OF THE COUNTY RECORDER; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOT 5, NORTH 50 DEGREES 31 MINUTES 46 SECONDS WEST 125 FEET TO THE MOST SOUTHEASTERLY LINE OF LOT 2 OF SAID 6TH ST. TERMINAL TRACT; THENCE ALONG SAID MOST SOUTHEASTERLY LINE AND ITS SOUTHWESTERLY PROLONGATION, SOUTH 39 DEGREES 34 MINUTES 15 SECONDS WEST 348.50 FEET TO THE NORTHWESTERLY LINE OF 7TH STREET (80 FEET WIDE) AS SHOWN ON SAID MAP OF THE 6TH ST. TERMINAL TRACT; THENCE ALONG SAID NORTHWESTERLY LINE NORTH 49 DEGREES 50 MINUTES 30 SECONDS WEST 180.24 FEET TO THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE HAVING A BEARING AND LENGTH OF "NORTH 41 DEGREES 29 MINUTES EAST 50 FEET" IN THE BOUNDARY LINE OF LOT 4 OF SAID 6TH ST. TERMINAL TRACT AS SHOWN ON THE MAP THEREOF; THENCE ALONG SAID BOUNDARY LINE NORTH 41 DEGREES 29 MINUTES 10 SECONDS EAST 49.97 FEET TO AN ANGLE POINT THEREIN; THENCE ALONG A SOUTHWESTERLY LINE OF SAID LOT 4, NORTH 49 DEGREES 50 MINUTES 30 SECONDS WEST 89.93 FEET TO SAID SOUTHEASTERLY LINE OF LOS ANGELES STREET (80 FEET WIDE); THENCE ALONG SAID SOUTHEASTERLY LINE NORTH 41 DEGREES 29 MINUTES 10 SECONDS EAST 520.80 FEET TO THE POINT OF BEGINNING.

EXCEPT THEREFROM THAT PORTION OF THE ABOVE DESCRIBED LAND WHICH IS INCLUDED WITHIN THE LINES OF THE LANDS DESCRIBED IN PARCELS 1, 2 AND 3 OF THE DEED TO GREYHOUND LINES, INC., RECORDED ON JANUARY 20, 1964, AS DOCUMENT NO. 1426, IN BOOK D 1328 PAGE 460, OFFICIAL RECORDS, IN SAID OFFICE OF THE COUNTY RECORDER. THE TITLE AND EXCLUSIVE RIGHT TO ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER, OCCURRING 500 FEET BENEATH THE SURFACE THEREOF, NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS, AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE AND REMOVE THE SAME, AND TO MAKE SUCH USE OF SAID LAND BENEATH THE SURFACE AS IS NECESSARY OR USEFUL IN

DESCRIPTION (Continued)

CONNECTION THEREWITH, AND OTHER USE THEREOF, WHICH USES MAY INCLUDE LATERAL OR SLANT DRILLING, DIGGING, BORING OR SINKING OF WELLS, SHAFTS OR TUNNELS TO OTHER LANDS NOT SUBJECT TO THOSE RESERVATIONS AND EASEMENTS; PROVIDED, HOWEVER, THAT SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS AND SHALL NOT DISTURB THE SURFACE OF SAID LAND OR ANY IMPROVEMENTS THEREON OR REMOVE OR IMPAIR THE LATERAL OR SUBJACENT SUPPORT OF SAID LAND OR ANY IMPROVEMENTS THEREON, AND SHALL CONDUCT NO OPERATIONS WITHIN 500 FEET OF THE SURFACE OF SAID LAND.

IN THE EXERCISE OF SAID RESERVED EXCLUSIVE EASEMENTS, MINERAL RIGHTS AND RESERVATIONS, GRANTOR MAY POOL SAID LANDS WITH OTHER LANDS. THE RIGHTS OF GRANTOR SHALL INCLUDE, BUT SHALL IN NO WAY BE LIMITED TO, ALL SUBTERRANEAN RIGHTS NECESSARY, INCIDENTAL OR CONVENIENT TO THE FULL EXERCISE OF THE RIGHTS RESERVED BY GRANTOR BELOW 500 FEET OF THE SURFACE OF SAID LAND AND SHALL INCLUDE THE RIGHT TO DRILL AND MAINTAIN WELL HOLES THROUGH THE SAID LAND BELOW 500 FEET FROM THE SURFACE THEREOF FOR THE PURPOSE OF REMOVING OIL, GAS AND OTHER HYDROCARBON SUBSTANCES FROM OTHER LANDS, WHETHER SUCH OTHER LANDS BE ADJACENT, CONTIGUOUS OR DISTANT FROM SAID LANDS.

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 200_, between County of Los Angeles, a body politic and corporate ("Tenant"), and Samko LLC, a California Limited Liability Company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at _____ ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Lease commenced on _____ ("Commencement Date");
- (4) The Premises contain _____ rentable square feet of space; and
- (5) Basic Rent per Month is _____.

IN WITNESS WHEREOF, this Memorandum is executed this ____ day of _____, 20__.

"Tenant"	"Landlord"
COUNTY OF LOS ANGELES, a body politic and corporate	SAMKO LLC, a California Limited Liability Company
By: _____ Name: _____ Its: _____	By: _____ Name: _____ Its: _____

EXHIBIT D
HVAC STANDARDS

Not Applicable

EXHIBIT E

CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)
 - A. Common area floors dust-mopped.
 - B. Exterior graffiti expunged as needed within two (2) working days after notice by Tenant.
2. SEMI-ANNUALLY
 - A. Windows washed as required outside but not less frequently than twice annually.
3. AS NEEDED
 - A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
 - B. Provide scheduled maintenance to the HVAC systems including replacement of filters as needed and recommended by the manufacturer.

EXHIBIT F

PREMISES A, B AND C ADDITIONAL TENANT IMPROVEMENT ALLOWANCES REIMBURSEMENT AND AMORTIZATION SCHEDULES

PREMISES A and B

LEASE AMORTIZATION CALCULATOR-Beginning of Period (Annuity due)

Enter Values	
Loan Amount	\$125,000.00
Annual Interest Rate	5%
Loan Period in Years	3
Number of Payments Per Year	12
Start Date of Loan	1/1/2016

Loan Summary	
Scheduled Payment	\$4,018.14
Scheduled Number of Payments	36
Total Payment Payback	\$ 144,653.06
Total Interest	\$ 15,572.10

Land/Lord Name: Samko, LLC

Lease No. 78321

Agent Name: Covarrubias

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Principal Paid	Interest Paid	Ending Balance
1	1/1/2016	\$125,000.00	\$4,018.14	\$4,018.14	\$0.00	\$125,000.00
2	2/1/2016	\$125,000.00	\$4,018.14	\$3,164.32	\$853.75	\$121,578.42
3	3/1/2016	\$121,578.42	\$4,018.14	\$3,205.62	\$812.52	\$118,572.80
4	4/1/2016	\$118,572.80	\$4,018.14	\$3,226.99	\$791.15	\$115,445.82
5	5/1/2016	\$115,445.82	\$4,018.14	\$3,248.50	\$769.64	\$112,197.31
6	6/1/2016	\$112,197.31	\$4,018.14	\$3,270.16	\$747.98	\$108,927.16
7	7/1/2016	\$108,927.16	\$4,018.14	\$3,291.96	\$726.18	\$105,635.20
8	8/1/2016	\$105,635.20	\$4,018.14	\$3,313.91	\$704.23	\$102,321.29
9	9/1/2016	\$102,321.29	\$4,018.14	\$3,336.00	\$682.14	\$98,985.29
10	10/1/2016	\$98,985.29	\$4,018.14	\$3,358.24	\$659.90	\$95,627.06
11	11/1/2016	\$95,627.06	\$4,018.14	\$3,380.63	\$637.51	\$92,246.43
12	12/1/2016	\$92,246.43	\$4,018.14	\$3,403.16	\$614.98	\$88,843.26
13	1/1/2017	\$88,843.26	\$4,018.14	\$3,425.85	\$592.29	\$85,417.41
14	2/1/2017	\$85,417.41	\$4,018.14	\$3,448.69	\$569.45	\$81,968.72
15	3/1/2017	\$81,968.72	\$4,018.14	\$3,471.68	\$546.46	\$78,497.04
16	4/1/2017	\$78,497.04	\$4,018.14	\$3,494.83	\$523.31	\$75,002.21
17	5/1/2017	\$75,002.21	\$4,018.14	\$3,518.13	\$500.01	\$71,484.08
18	6/1/2017	\$71,484.08	\$4,018.14	\$3,541.58	\$476.56	\$67,942.51
19	7/1/2017	\$67,942.51	\$4,018.14	\$3,565.19	\$452.95	\$64,377.32
20	8/1/2017	\$64,377.32	\$4,018.14	\$3,588.96	\$429.18	\$60,788.36
21	9/1/2017	\$60,788.36	\$4,018.14	\$3,612.89	\$405.25	\$57,175.48
22	10/1/2017	\$57,175.48	\$4,018.14	\$3,636.97	\$381.17	\$53,538.51
23	11/1/2017	\$53,538.51	\$4,018.14	\$3,661.22	\$356.92	\$49,877.29
24	12/1/2017	\$49,877.29	\$4,018.14	\$3,685.62	\$332.52	\$46,191.66
25	1/1/2018	\$46,191.66	\$4,018.14	\$3,710.20	\$307.94	\$42,481.47
26	2/1/2018	\$42,481.47	\$4,018.14	\$3,734.93	\$283.21	\$38,746.54
27	3/1/2018	\$38,746.54	\$4,018.14	\$3,759.83	\$258.31	\$34,986.71
28	4/1/2018	\$34,986.71	\$4,018.14	\$3,784.90	\$233.24	\$31,201.81
29	5/1/2018	\$31,201.81	\$4,018.14	\$3,810.13	\$208.01	\$27,391.68
30	6/1/2018	\$27,391.68	\$4,018.14	\$3,835.53	\$182.61	\$23,556.15
31	7/1/2018	\$23,556.15	\$4,018.14	\$3,861.10	\$157.04	\$19,695.06
32	8/1/2018	\$19,695.06	\$4,018.14	\$3,886.84	\$131.30	\$15,808.22
33	9/1/2018	\$15,808.22	\$4,018.14	\$3,912.75	\$105.39	\$11,895.46
34	10/1/2018	\$11,895.46	\$4,018.14	\$3,938.84	\$79.33	\$7,956.63
35	11/1/2018	\$7,956.63	\$4,018.14	\$3,965.10	\$53.04	\$3,991.53
36	12/1/2018	\$3,991.53	\$4,018.14	\$3,991.53	\$26.61	\$0.00
37						

PREMISES C (601)

LEASE AMORTIZATION CALCULATOR-Beginning of Period (Annuity due)

Enter Values		Loan Summary	
Loan Amount	\$125,000.00	Scheduled Payment	\$3,591.10
Annual Interest Rate	9%	Scheduled Number of Payments	36
Loan Period in Years	3	Total Payment Payback	\$ 145,079.78
Number of Payments Per Year	12	Total Interest	\$ 15,079.78
Start Date of Loan	12/7/2015		

Land/Lord Name: Sarnko LLC
 Lease No. L-1234 (601 South Maple Avenue)
 Agent Name: Covarrubias

Pmt No.	Payment Date	Beginning Balance	Scheduled Payment	Principal Paid	Interest Paid	Ending Balance
1	12/7/2015	\$125,000.00	\$3,591.10	\$3,591.10	\$0.00	\$121,408.90
2	1/7/2016	\$121,408.90	\$3,591.10	\$3,083.71	\$807.39	\$118,325.18
3	2/7/2016	\$118,325.18	\$3,591.10	\$3,104.27	\$786.83	\$114,220.91
4	3/7/2016	\$114,220.91	\$3,591.10	\$3,124.97	\$766.14	\$111,095.95
5	4/7/2016	\$111,095.95	\$3,591.10	\$3,145.50	\$745.31	\$107,950.45
6	5/7/2016	\$107,950.45	\$3,591.10	\$3,165.77	\$724.33	\$104,784.68
7	6/7/2016	\$104,784.68	\$3,591.10	\$3,185.88	\$703.22	\$101,598.80
8	7/7/2016	\$101,598.80	\$3,591.10	\$3,205.74	\$681.97	\$98,393.06
9	8/7/2016	\$98,393.06	\$3,591.10	\$3,225.33	\$660.58	\$95,167.73
10	9/7/2016	\$95,167.73	\$3,591.10	\$3,252.67	\$639.04	\$91,915.06
11	10/7/2016	\$91,915.06	\$3,591.10	\$3,273.75	\$617.35	\$88,631.31
12	11/7/2016	\$88,631.31	\$3,591.10	\$3,295.57	\$595.53	\$85,335.74
13	12/7/2016	\$85,335.74	\$3,591.10	\$3,317.14	\$573.66	\$82,018.60
14	1/7/2017	\$82,018.60	\$3,591.10	\$3,338.56	\$551.45	\$78,680.04
15	2/7/2017	\$78,680.04	\$3,591.10	\$3,361.92	\$529.18	\$75,318.12
16	3/7/2017	\$75,318.12	\$3,591.10	\$3,384.34	\$506.77	\$71,933.78
17	4/7/2017	\$71,933.78	\$3,591.10	\$3,406.90	\$484.21	\$68,526.88
18	5/7/2017	\$68,526.88	\$3,591.10	\$3,429.61	\$461.49	\$65,097.27
19	6/7/2017	\$65,097.27	\$3,591.10	\$3,452.48	\$438.63	\$61,644.79
20	7/7/2017	\$61,644.79	\$3,591.10	\$3,475.49	\$415.61	\$58,169.30
21	8/7/2017	\$58,169.30	\$3,591.10	\$3,498.66	\$392.44	\$54,670.64
22	9/7/2017	\$54,670.64	\$3,591.10	\$3,521.99	\$369.12	\$51,148.65
23	10/7/2017	\$51,148.65	\$3,591.10	\$3,545.47	\$345.64	\$47,603.18
24	11/7/2017	\$47,603.18	\$3,591.10	\$3,569.10	\$322.03	\$44,034.08
25	12/7/2017	\$44,034.08	\$3,591.10	\$3,592.90	\$298.21	\$40,441.18
26	1/7/2018	\$40,441.18	\$3,591.10	\$3,616.95	\$274.25	\$36,824.23
27	2/7/2018	\$36,824.23	\$3,591.10	\$3,641.26	\$250.14	\$33,182.97
28	3/7/2018	\$33,182.97	\$3,591.10	\$3,665.73	\$225.87	\$29,517.24
29	4/7/2018	\$29,517.24	\$3,591.10	\$3,690.37	\$201.44	\$25,826.87
30	5/7/2018	\$25,826.87	\$3,591.10	\$3,714.27	\$176.84	\$22,112.60
31	6/7/2018	\$22,112.60	\$3,591.10	\$3,738.33	\$152.05	\$18,374.27
32	7/7/2018	\$18,374.27	\$3,591.10	\$3,763.56	\$127.15	\$14,610.71
33	8/7/2018	\$14,610.71	\$3,591.10	\$3,789.95	\$102.03	\$10,820.76
34	9/7/2018	\$10,820.76	\$3,591.10	\$3,814.31	\$76.80	\$7,006.45
35	10/7/2018	\$7,006.45	\$3,591.10	\$3,839.74	\$51.57	\$3,166.71
36	11/7/2018	\$3,166.71	\$3,591.10	\$3,865.34	\$25.77	(\$0.00)

PREMISES C (607)

LEASE AMORTIZATION CALCULATOR Beginning of Period (Annuity due)

Enter Values		Loan Summary	
Loan Amount	\$125,000.00	Scheduled Payment	\$3,891.10
Annual Interest Rate	9%	Scheduled Number of Payments	36
Loan Period in Years	3	Total Payment Payback	\$ 140,079.78
Number of Payments Per Year	12	Total Interest	\$ 15,079.78
Start Date of Loan	12/7/2015		

Land/Lord Name: Samko LLC
 Lease No. L-1238 (607 South Maple Avenue)
 Agent Name: Covarrubias

Post No.	Payment Date	Beginning Balance	Scheduled Payment	Principal Paid	Interest Paid	Ending Balance
1	12/7/2015	\$125,000.00	\$3,891.10	\$3,891.10	\$0.00	\$121,108.90
2	1/7/2016	\$121,108.90	\$3,891.10	\$3,083.71	\$807.39	\$118,025.18
3	2/7/2016	\$118,025.18	\$3,891.10	\$3,104.27	\$786.83	\$114,629.91
4	3/7/2016	\$114,629.91	\$3,891.10	\$3,124.97	\$766.14	\$111,795.95
5	4/7/2016	\$111,795.95	\$3,891.10	\$3,145.60	\$745.51	\$109,650.15
6	5/7/2016	\$109,650.15	\$3,891.10	\$3,166.77	\$724.33	\$107,483.38
7	6/7/2016	\$107,483.38	\$3,891.10	\$3,187.59	\$702.22	\$105,295.46
8	7/7/2016	\$105,295.46	\$3,891.10	\$3,209.14	\$681.67	\$103,086.32
9	8/7/2016	\$103,086.32	\$3,891.10	\$3,230.53	\$660.56	\$100,855.92
10	9/7/2016	\$100,855.92	\$3,891.10	\$3,252.07	\$639.04	\$98,603.78
11	10/7/2016	\$98,603.78	\$3,891.10	\$3,273.75	\$617.36	\$96,330.02
12	11/7/2016	\$96,330.02	\$3,891.10	\$3,295.57	\$595.53	\$94,034.45
13	12/7/2016	\$94,034.45	\$3,891.10	\$3,317.54	\$573.56	\$91,716.90
14	1/7/2017	\$91,716.90	\$3,891.10	\$3,339.66	\$551.45	\$89,377.25
15	2/7/2017	\$89,377.25	\$3,891.10	\$3,361.92	\$529.18	\$87,015.32
16	3/7/2017	\$87,015.32	\$3,891.10	\$3,384.34	\$506.77	\$84,630.99
17	4/7/2017	\$84,630.99	\$3,891.10	\$3,406.90	\$484.21	\$82,224.09
18	5/7/2017	\$82,224.09	\$3,891.10	\$3,429.61	\$461.49	\$79,794.48
19	6/7/2017	\$79,794.48	\$3,891.10	\$3,452.48	\$438.63	\$77,342.00
20	7/7/2017	\$77,342.00	\$3,891.10	\$3,475.49	\$415.61	\$74,866.51
21	8/7/2017	\$74,866.51	\$3,891.10	\$3,498.65	\$392.44	\$72,367.86
22	9/7/2017	\$72,367.86	\$3,891.10	\$3,521.92	\$369.12	\$69,845.94
23	10/7/2017	\$69,845.94	\$3,891.10	\$3,545.47	\$345.64	\$67,300.40
24	11/7/2017	\$67,300.40	\$3,891.10	\$3,569.10	\$322.00	\$64,731.29
25	12/7/2017	\$64,731.29	\$3,891.10	\$3,592.90	\$298.21	\$62,138.40
26	1/7/2018	\$62,138.40	\$3,891.10	\$3,616.85	\$274.26	\$59,521.55
27	2/7/2018	\$59,521.55	\$3,891.10	\$3,640.95	\$250.14	\$56,880.59
28	3/7/2018	\$56,880.59	\$3,891.10	\$3,665.23	\$225.87	\$54,215.36
29	4/7/2018	\$54,215.36	\$3,891.10	\$3,689.67	\$201.44	\$51,525.68
30	5/7/2018	\$51,525.68	\$3,891.10	\$3,714.27	\$176.84	\$48,811.42
31	6/7/2018	\$48,811.42	\$3,891.10	\$3,739.03	\$152.06	\$46,072.39
32	7/7/2018	\$46,072.39	\$3,891.10	\$3,763.95	\$127.15	\$43,308.43
33	8/7/2018	\$43,308.43	\$3,891.10	\$3,789.05	\$102.06	\$40,519.38
34	9/7/2018	\$40,519.38	\$3,891.10	\$3,814.31	\$76.80	\$37,705.07
35	10/7/2018	\$37,705.07	\$3,891.10	\$3,839.74	\$51.37	\$34,865.34
36	11/7/2018	\$34,865.34	\$3,891.10	\$3,865.34	\$25.77	(\$0.00)

PREMISES C (609)

Loan Amortization Schedule

Vertex42

HELP

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Loan Information		Summary	
Loan Amount	115,928.00	Rate (per period)	0.643%
Annual Interest Rate	8.00%	Number of Payments	36
Term of Loan in Years	3	Total Payments	132,758.90
First Payment Date	12/7/2015	Total Interest	13,830.90
Payment Frequency	Monthly	Est. Interest Savings	(0.00)
Compound Period	Annual		
Payment Type	Beginning of Period		
Monthly Payment		3,687.75	

Amortization Schedule

☐ Rounding On

No.	Due Date	Payment	Additional Payment	Interest	Principal	Balance
						115,928.00
1	12/7/15	3,687.75		0.00	3,687.75	115,240.25
2	1/7/16	3,687.75		741.48	2,946.28	112,293.96
3	2/7/16	3,687.75		722.50	2,965.24	109,328.72
4	3/7/16	3,687.75		703.42	2,984.32	106,344.40
5	4/7/16	3,687.75		684.22	3,003.52	103,340.87
6	5/7/16	3,687.75		664.90	3,022.85	100,318.02
7	6/7/16	3,687.75		645.45	3,042.30	97,275.73
8	7/7/16	3,687.75		625.87	3,061.87	94,213.85
9	8/7/16	3,687.75		606.17	3,081.57	91,132.28
10	9/7/16	3,687.75		586.35	3,101.40	88,030.88
11	10/7/16	3,687.75		566.38	3,121.35	84,909.53
12	11/7/16	3,687.75		546.31	3,141.44	81,768.09
13	12/7/16	3,687.75		526.15	3,161.60	78,606.49
14	1/7/17	3,687.75		505.78	3,181.96	75,424.53
15	2/7/17	3,687.75		485.28	3,202.46	72,221.99
16	3/7/17	3,687.75		464.68	3,223.07	68,998.92
17	4/7/17	3,687.75		443.94	3,243.81	65,755.11
18	5/7/17	3,687.75		423.07	3,264.68	62,490.44
19	6/7/17	3,687.75		402.07	3,285.68	59,204.75
20	7/7/17	3,687.75		380.93	3,306.82	55,897.93
21	8/7/17	3,687.75		359.55	3,328.19	52,569.73
22	9/7/17	3,687.75		338.24	3,349.51	49,220.22
23	10/7/17	3,687.75		316.89	3,371.08	45,849.14
24	11/7/17	3,687.75		295.50	3,392.75	42,456.39
25	12/7/17	3,687.75		273.17	3,414.58	39,041.81
26	1/7/18	3,687.75		251.20	3,436.55	35,605.26
27	2/7/18	3,687.75		229.99	3,458.76	32,146.50
28	3/7/18	3,687.75		208.83	3,480.91	28,665.59
29	4/7/18	3,687.75		187.44	3,503.31	25,162.28
30	5/7/18	3,687.75		166.00	3,525.75	21,636.53
31	6/7/18	3,687.75		139.21	3,548.54	18,088.00
32	7/7/18	3,687.75		116.38	3,571.37	14,516.63
33	8/7/18	3,687.75		93.40	3,594.35	10,922.28
34	9/7/18	3,687.75		70.27	3,617.47	7,304.81
35	10/7/18	3,687.75		47.00	3,640.75	3,664.07
36	11/7/18	3,687.75		23.58	3,664.17	0.00